



General Assembly

February Session, 2016

***Raised Bill No. 400***

LCO No. 2645

\* \_\_\_\_\_SB00400CE\_\_\_\_\_031816\_\_\_\_\_\*

Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT ESTABLISHING THE 7/7 PROGRAM TO ENCOURAGE THE REDEVELOPMENT OF BROWNFIELDS AND UNDERUTILIZED PROPERTY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1       Section 1. (NEW) (*Effective July 1, 2016, and applicable to taxable and*  
2       *income years commencing on or after January 1, 2016*) (a) As used in this  
3       section, the following terms shall have the following meanings unless  
4       the context clearly indicates another meaning:
- 5       (1) "7/7 participant" means an eligible owner whose application  
6       submitted pursuant to subsection (c) of this section has been approved  
7       by the commissioner;
- 8       (2) "7/7 site" means the real property redeveloped and utilized or  
9       proposed to be redeveloped and utilized by a 7/7 participant in  
10      accordance with this section;
- 11      (3) "Brownfield" has the same meaning as provided in section 32-760  
12      of the general statutes;
- 13      (4) "Commissioner" means the Commissioner of Economic and

14 Community Development;

15 (5) "Completion of the brownfield remediation" means the  
16 completed remediation of a 7/7 site by a 7/7 participant as evidenced  
17 by the filing of either a verification or interim verification that meets  
18 the requirements of section 22a-133x, 22a-133y or 22a-134 of the  
19 general statutes;

20 (6) "Eligible owner" means any person, firm, limited liability  
21 company, nonprofit or for-profit corporation or other business entity  
22 that holds title to (A) a brownfield, provided such owner did not  
23 establish, create or maintain a source of pollution to the waters of the  
24 state for purposes of section 22a-432 of the general statutes and is not  
25 responsible pursuant to any other provision of the general statutes for  
26 any pollution or source of pollution on such brownfield; or (B) real  
27 property that has been abandoned or underutilized for ten or more  
28 years; and

29 (7) "Qualified expenditures" means the expenditures associated with  
30 the investigation, assessment and remediation of a brownfield,  
31 including, but not limited to: (A) Soil, groundwater and infrastructure  
32 investigation; (B) assessment; (C) remediation of soil, sediments,  
33 groundwater or surface water; (D) abatement; (E) hazardous materials  
34 or waste removal and disposal; (F) long-term groundwater or natural  
35 attenuation monitoring; (G) (i) environmental land use restrictions, (ii)  
36 activity and use limitations, or (iii) other forms of institutional control;  
37 (H) reasonable attorneys' fees; (I) planning, engineering and  
38 environmental consulting; and (J) remedial activity to address building  
39 and structural issues, including, but not limited to, demolition,  
40 asbestos abatement, polychlorinated biphenyls removal, contaminated  
41 wood or paint removal and other infrastructure remedial activities.  
42 "Qualified expenditures" do not include expenditures funded for such  
43 investigation, assessment, remediation and development directly  
44 through other state brownfield programs administered by the  
45 commissioner.

46 (b) There is established within the Department of Economic and  
47 Community Development the 7/7 program. Said program shall  
48 provide incentives to businesses for redeveloping and utilizing  
49 brownfields and real property that has been abandoned or  
50 underutilized for ten or more years. Participants in said program shall  
51 be eligible for the tax incentives provided under subsections (e) to (h),  
52 inclusive, of this section.

53 (c) To be designated a 7/7 participant, an eligible owner shall  
54 submit to the Commissioner of Economic and Community  
55 Development an application, on forms provided by the commissioner,  
56 that shall include the following information: (1) A description of the  
57 real property such eligible owner seeks to utilize and the proposed use  
58 for such property; (2) a written certification (A) from a licensed  
59 environmental professional stating that such property is a brownfield,  
60 or (B) from a municipality stating that such property has been  
61 abandoned or underutilized for ten or more years; (3) a plan that such  
62 eligible owner shall submit to area high schools and the regional-  
63 community technical colleges that includes the anticipated workforce  
64 needs for the proposed use of such property and workforce training  
65 requirements in order to enable such schools and colleges to develop  
66 educational training programs to meet such workforce needs; (4) a  
67 commitment by the eligible owner to hire not less than thirty per cent  
68 of its workforce from students enrolled in any programs developed as  
69 a result of subdivision (3) of this subsection; and (5) any other  
70 information the commissioner deems necessary. The commissioner  
71 shall approve any application that satisfies the requirements of this  
72 subsection and shall notify the Commissioner of Revenue Services  
73 whenever he or she approves the application of an eligible owner.

74 (d) Any 7/7 participant that seeks to redevelop and utilize a  
75 brownfield shall not be eligible for any of the benefits provided under  
76 subsections (e) to (h), inclusive, of this section until after completion of  
77 the brownfield remediation and the participant's notification of such  
78 completion to the Commissioners of Revenue Services and Economic

79 and Community Development and the municipality in which such  
80 brownfield is located.

81 (e) (1) If a 7/7 participant is a taxpayer, as defined in section 12-213  
82 of the general statutes, the Commissioner of Revenue Services shall  
83 grant a credit against any tax due under the provisions of chapter 208  
84 of the general statutes in an amount equal to the total amount of tax  
85 due under said chapter for the income year that is attributable to the  
86 operations of such participant's business located on the 7/7 site after  
87 the deduction of any other credits allowable under said chapter. The  
88 credit allowed by this subdivision shall be available in the first income  
89 year in which such participant begins business operations at such site  
90 and the succeeding six income years.

91 (2) If a 7/7 participant is an affected business entity, as defined in  
92 section 12-284b of the general statutes, the Commissioner of Revenue  
93 Services shall grant a credit to each member, shareholder or partner of  
94 such participant against any tax due under the provisions of chapter  
95 229 of the general statutes, other than the liability imposed by section  
96 12-707 of the general statutes, in an amount equal to such member's,  
97 shareholder's or partner's amount of tax due under chapter 229 of the  
98 general statutes for the taxable year that is attributable to the  
99 operations of such participant's business located on the 7/7 site after  
100 the deduction of any other credits allowable under said chapter. The  
101 credit allowed by this subdivision shall be available in the first taxable  
102 year in which such participant begins business operations at such site  
103 and the succeeding six taxable years.

104 (3) Any tax credit earned under this subsection shall be  
105 nonrefundable.

106 (f) (1) The taxes imposed by chapter 219 of the general statutes shall  
107 not apply to any item purchased by a 7/7 participant in the first seven  
108 calendar years from the date such participant initiates business  
109 operations at a 7/7 site, provided such item is purchased for use in the  
110 ordinary course of business at such site.

111 (2) At the time of sale, a 7/7 participant shall present to the person  
112 who makes the sale a certificate to the effect that the item is subject to  
113 such exemption. The certificate shall be signed by and bear the name  
114 and address of the purchaser. The certificate shall be substantially in  
115 such form as the Commissioner of Revenue Services prescribes.

116 (3) If a purchaser who gives a certificate makes any use of the item  
117 other than the purpose set forth in subdivision (1) of this subsection,  
118 the use shall be deemed a use by the purchaser in accordance with  
119 chapter 219 of the general statutes, as of the time the property is first  
120 used by him or her, and the item shall be taxable to such purchaser in  
121 accordance with said chapter.

122 (g) There shall be allowed a credit for any 7/7 participant against  
123 the tax imposed under chapter 208 of the general statutes in an amount  
124 not to exceed eight and six-tenths per cent of the qualified  
125 expenditures associated with the remediation of a 7/7 site that was a  
126 brownfield. The credit allowed by this subsection shall be available in  
127 the eighth taxable or income year, as applicable, following such 7/7  
128 participant's initiation of business operations at such site and the six  
129 succeeding taxable or income years, as applicable. Any 7/7 participant  
130 may use such credit to offset any state tax due or otherwise payable by  
131 such participant under chapter 219 of the general statutes. If any 7/7  
132 participant granted a tax credit under this section is an affected  
133 business entity, as defined in section 12-284b of the general statutes,  
134 the members, shareholders or partners of such entity may claim such  
135 credit. Any tax credit earned under this subsection shall be  
136 nonrefundable.

137 (h) Notwithstanding any provision of the general statutes or of any  
138 special act, municipal charter or home rule ordinance, for five  
139 assessment years following the date a 7/7 participant obtained a  
140 building permit to begin construction at a 7/7 site, the municipality in  
141 which such site is located shall continue to use the assessed value of  
142 such site as of the date such participant's application was approved  
143 under subsection (c) of this section.

144 (i) The Commissioner of Revenue Services shall adopt regulations,  
145 in accordance with chapter 54 of the general statutes, to implement the  
146 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016, and applicable to taxable and income years commencing on or after January 1, 2016</i>	New section

***CE***      *Joint Favorable*